too, the coin or bill standard in one city was at a discount in the next. However, notes of some of the larger and more stable institutions, such as the Bank of Communications and the Bank oi China, were widely circulated and passed at face value or at only a small discount. To add to the bedlam, China has been in effect on the silver basis and foreign exchange has been subject to the fluctuations in the price of that metal in the markets of the world. These rapid shifts in foreign exchange did not affect so greatly the prices of domestic products, but since goods purchased abroad must be paid for in gold the repercussion upon foreign trade was serious. In the 1940's the runaway inflation which accompanied the war with Japan was the outstanding feature of the monetary situation. It prevailed in both "free" and "occupied" China and upset earlier standards.

In the course of the past several decades many suggestions have been offered for reforming the currency, and now and again a more or less half-hearted attempt has actually been made to put one or another of these into effect. So far, however, they have been comparatively fruitless. Some of them may even, indeed, have made the situation worse.

After what has been said previously about the innovations in the transportation system, little more need be added. Obviously marked improvements have been registered. Quite as obviously, however, communication continues to be one of the nation's major problems. Until better means of transportation, particularly of freight, can be more widely extended, local famines can devastate inland provinces, trade in foreign goods and domestic commerce will be retarded, and the general government will find it difficult to enforce its authority against recurring rebellions. The develop-

ment of transportation is hindered by official exactions and interference. In a land where a railway or a line of steamers could be made to support an army, the temptation to divert the revenue of such agencies to the purposes of some militarist often proved too great to be resisted. Railways, too, have been commandeered by armies, and even in time of peace soldiers have been accustomed to demand passage free of charge and to misuse the rolling stock. Under such conditions, the normal growth of railroads and steamship lines could not but be retarded. After 1937 the Japanese advance and the accompanying fighting disrupted the railways or monopolized them for war.